



Legislative Update

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Notice Reform Includes Drain Code Changes

Today's technology has changed the way people get information. Newspaper readership has dwindled and forced many printed publications out of business.

In order to maintain government accountability by providing greater access to changes in the community, Representative Amanda Price took on more than 250 laws with legal notice requirements, including several provisions of the Drain Code, to bring them into the 21st century.

House Bill 5560 is designed to modernize and make uniform the manner in which local governments publish legal notices. The legislation separates the notices into three tiers of

descending significance: Tier A, Tier B, and Tier C. The types of legal notices have not yet been assigned to a tier, but as the bill progresses through the committee process, details of the bill will be refined.

If passed into law this year, House Bill 5560 would require all legal notices to be published online by 2025. Online publication would result in significantly lower publishing costs for many local units of government.

The legislation would also allow interested citizens to subscribe to receive notices in their e-mail inbox.

House Bill 5560 is currently in the House Committee on Local Government.



Drain Code Revisions to Allow Term Bonds

Municipal bonds have historically been issued as "serial" bonds, meaning a bond where a portion matures every year resulting in at least one separate bond certificate for each year.

Modern changes to the finance statutes have allowed municipalities to also use "term" bonds, or bonds that take principal amounts that would be due over more than one year and grouping them together in one bond certificate. These bonds require mandatory principal payments called mandatory redemptions to be made each year.

Essentially, these "term" bonds allow one bond certificate to be used with a larger principal amount, rather than several bond certificates with smaller amounts. Larger the bond certificates, open up the possibility of attracting large institutional buyers with potentially lower interest rates.

Currently, the Drain Code only allows Drainage Districts to issue "serial" bonds. The proposed amendment to the Drain Code would simply allow Drainage Districts to issue serial bonds or term bonds to finance drain projects.

COMMITTEE SPOTLIGHT

House Committee on Elections and Ethics

Committee Members

Chair Lisa Posthumus Lyons (R-Alto)
 Vice-Chair Kevin Cotter (R-Mt. Pleasant)
 Kurt Heise (R-Plymouth)
 Mike Callton (R-Nashville)
 Rick Outman (R-Six Lakes)
 Ken Yonker (R-Caledonia)
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Chair Lisa Posthumus Lyons

Currently scheduled meetings are available at: www.legislature.mi.gov

New Drain Code Bills Introduced in House

Four new bills to amend the Drain Code were recently introduced in the Michigan House of Representatives. The bills, sponsored by Representative Al Pscholka (R-Stevensville) have been referred to the House Committee on Local Government (chaired by Representative Amanda Price (R-Park Township); see Legislator Spotlight, page 4). Specifically, the bills address the following issues:

House Bill 5684 (Section 5)

This bill amends Section 5 to clarify that Drainage Districts may acquire real or personal property by gift, purchase, or any other method, including condemnation under the Uniform Condemnation Procedures Act.

House Bill 5685 (Sections 101 & 121)

Currently, municipalities may not apply for an intercounty drain drainage district and a petition to establish an intercounty drain must be signed by a municipality from **each county** involved.

This bill amends both Sections 101 and 121 to allow a **single** municipali-

ty in either county to apply for an intercounty drain drainage district (under Section 101) and to petition for an intercounty drain (under Section 121).

House Bill 5687 (Section 247)

This amendment seeks to clarify how legal related expenses are be paid for by a drainage district. The bill clarifies that legal expenses may be paid for by the drainage district or the revolving fund and reimbursed from assessments to the drainage district.

House Bill 5686 (Section 327)

Currently, Section 327 allows a road commission to petition for the establishment of a county drainage district, the construction of a new county drain, and the maintenance and improvement of an existing county drain, however, there are no provisions in the Drain Code allowing the same for intercounty drainage districts and intercounty drains.

This bill would amend Section 327 to allow a road commission to petition for the same activities for intercounty drainage districts and intercounty drains.



New Legislation of Interest to MACDC

The following bills of interest to Drain Commissioners and Associate Members are currently pending before or have passed the Legislature. The full text and up-to-date action for each bill can be found online on the Michigan Legislature's website at: www.legislature.mi.gov.

RETROACTIVE BILLING PROHIBITION

House Bill 5448, introduced by Rep. Knezek (D-Dearborn Heights), would amend the Municipal Water Liens Act to prohibit a municipally owned water distribution system from charging for water usage that was not previously detected or billed if the municipality installs a new water meter after the bill goes into effect unless certain notice requirements were met. This bill is in the House Committee on Local Government.

OPEN MEETINGS ACT REFORM

House Bills 5193 & 5194, introduced by Rep. McMillin (R-Rochester Hills), would amend the Open Meetings Act to clarify that a closed

session may not be held to discuss merely anticipated litigation and that reenactment is not a defense to a violation. *These bills have passed the House and are in the Senate Committee on Government Operations.*

ELECTED OFFICIALS FOIA FEE WAIVER

House Bill 5599, introduced by Rep. Lipton (D-Huntington Woods), would amend the Freedom of Information Act to provide that a public body may not charge a fee for the search, copying for inspection, or providing of a copy of a public record to the requestor if the requestor is an elected public official. The bills makes it clear that the request must also be made in furtherance of his or her duties as an elected public official. This bill is in the House Committee on Government Operations.

MUNICIPAL WATER & SEWER RATES

House Bill 5624, introduced by Rep. Olumba (I-Detroit) would provide the Public Service Commission with complete power and jurisdiction to regu-

late municipally owned water or sewer systems. This bill is in the House Committee on Energy & Technology.

MINIMUM WAGE INCREASE

Public Act 138 of 2014, sponsored by Senator Richardville (R-Monroe), this new law repealed the Minimum Wage Law and created the "Workforce Opportunity Wage Act".

Under the new law:

- The minimum wage will be increased from \$7.40 to \$9.25 by January 1, 2018;
- Beginning September 1, 2014, the minimum wage for tipped employees will be increased from \$2.65 to 38% of the minimum wage;
- Beginning January 1, 2019, the minimum wage will be subject to annual adjustments to reflect changes in the CPI; and
- The annual increase (after 2018) will not take effect if the State's unemployment rate is 8.5% or higher.

New Law Treats Uncollected Delinquent Taxes as Liens

The General Property Tax Act authorizes counties to create a delinquent tax revolving fund. This fund consists of any uncollected delinquent taxes that are due and payable to the local taxing units in the county, except those due to local units that collect their own delinquent taxes after March 1 of each year.

Public Act 126 of 2014, sponsored by State Senator Tonya Shuitmaker (R-Lawton), provides that any uncollected delinquent taxes due to a county from a local taxing unit or the State for a prior year's uncollected delinquent tax would constitute a lien against future delinquent tax payments payable to the local unit or

the State.

The lien could be satisfied by offsetting the amount due to the county when the county makes distributions from the delinquent tax revolving fund to the local unit or the State in a subsequent year.

The new law also authorizes a county board of commissioners to reduce the interest rate on uncollected delinquent taxes by resolution, however, the decrease will not apply to any year's delinquent taxes when borrowing against that year's taxes occurred prior to the adoption of the resolution.

Public Act 126 went into effect on May 20, 2014.

LEGISLATOR SPOTLIGHT

Rep. Amanda Price (R - Park Township)



Representative Amada Price is currently in her second term in the Michigan House of Representatives. She represents the 89th district, encompassing a portion of Ottawa County, including Grand Haven, Olive, Park, Port Sheldon, Robinson, Blendon, Cookery and Spring Lake Townships and the cities of Ferrysburg and Grand Haven.

Rep. Price is the Chair of the Local Government Committee and serves on the Education, Energy and Technology and Tax Policy Committees.

Rep. Price recently introduced legislation to modernize laws that require local governments to publish legal notices. In this effort, she is

focused on bringing the way in which local governments provide their citizens with notice up to today's technology.

Before joining the Legislature, Rep. Price served as Park Township Trustee for 10 years and Supervisor for 2 years. Rep. Price is a graduate of Michigan State, the Institute for Paralegal Training and holds a Master's Degree in Public Administration from Western Michigan University.

Rep. Price and her husband, Rodger, reside in Park Township and are active in several charitable organizations, including the Holland Area Chamber of Commerce, Macatawa Area Coordinating Council Policy Committee, West Michigan Airport Authority and the Children's Advocacy Center.

Several Drainage Districts Receive SAW Grant Funding

Earlier this year, the MDEQ released the list of awardees receiving the first round of Stormwater, Asset Management, and Wastewater Program (SAW) grants. This year's awardees are receiving a total of \$97 million in grants and loans.

The SAW grants are provided to develop asset management plans, develop stormwater management plans and to plan and design water quality and innovative projects.

"A number of Drain and Water Resource Commissioners applied for funding to perform water quality projects," said Keith McCormack, Vice President of

Hubbell, Roth & Clark, Inc., who served on the SAW Workgroup Committee.

The SAW grants are expected to continue for a number of years until the entire \$450 million allocated to the program has been awarded.

"Almost all will ultimately be funded if future state budgets continue as in they have in the recent ones," said McCormack.

"The program will prove highly beneficial for the inventory, condition assessment and planning for future replacement of stormwater facilities owned and operated under the Drain Code."

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The Michigan Association of County Drain Commissioners is dedicated to safeguarding the health, safety and welfare of Michigan's citizens through the protection of property, surface waters and the environment. We seek to accomplish these goals by providing storm water management, flood control, drainage, development review and water quality programs.

We're on the web!

www.macdc.us